

**Suggested Additions for the "List of items for further consideration/clarification"  
For the RRG Drafting Group**

1. Do the 16 vote and 20 vote thresholds apply regardless of how many TSC members vote?
2. Are there two markets or one integrated market for (i) balancing energy within consolidated control area and (ii) congestion management inc's and dec's?
3. Is the voluntary inc and dec market limited to the consolidated control area or is it available on all participating systems?
4. Clarify intent that Company Rate, or some necessary modification to avoid cost-shifts, is envisioned as necessary at the beginning.
5. The ability of the board to authorize the Market Monitor to impose/enforce market penalties or sanctions may be inconsistent with the voluntary nature of ancillary market participation in the hybrid proposal? BPA would like to have the platform clearly indicate that there will not be must-run or must-offer requirement on the federal hydro system.
6. If the TOA imposes limitations on the authority of the board regarding market power mitigation, can the board delegate more authority to the MM than it has?
7. Once the board gets approval of a decision to move to financial rights, can it thereafter move from financial options approach to financial obligations approach without getting TSC approval? In other words, is this decision a "one-time" decision?
8. Will individual tariffs have to be modified to eliminate non-firm/short term services in beginning state?
9. Is mandatory consultation with states/provinces/tribes required only for decisions on the "special issues list or for any changes from the beginning state?"
10. Physical Injection/withdrawal rights are not issued for new construction until Interim state. If rights given for new construction are not defined until this time, there will not likely be any construction during the beginning state.
11. We assume the license plate rate approach is envisioned to apply beyond the consolidated control area. Is this correct?
12. Do the participating transmission owners have a choice about converting their pre-existing contract rights and obligations if the board elects to move to financial rights?

13. Did the drafting team consider whether a green field control center site would be necessary?
14. We suggest adding an explicit requirement that the board consider potential market volatility and gaming impacts before moving to the target state for financial rights and locational marginal pricing.
15. BPA is assuming that self-provision of actual losses is an available option under the hybrid proposal. BPA also assumes that loss methodologies specified in contracts will be honored by the IE without imposing any additional responsibility on the TO. Is this correct?
16. Given the new veto role of the TSC, does the platform assume further discussions of membership issues (such as packing within segments)?
17. As part of the evolutionary process, is it envisioned that the IE would be required to perform a cost-benefit analysis as it moves through the special issues and states prior to making a decision? We think such an explicit requirement should be added to the platform.
18. The seams process should be defined further both for internal and external seams issues. For the external process, we recommend that the SSGWI process be identified as the approach.
19. We are assuming that there would be a need to do a true-up of individual tariffs in the beginning state. Is this correct?
20. Was the Financial Rights/LMP target end state assumed to be like Stage 2?
21. BPA continues to be concerned by the lack of ability of the IE to deal with commercially significant congestion through a backstop. We are also concerned that the timing and test requirements for the board to vote on adding this authority are too vague in this regard. We would like to see an affirmative requirement for the board to conduct annual assessments of congestion and if this congestion is found to cause market workability issues, the board should be required to take a vote on this special issue to get authority to correct the problem.
22. The proposal states that, after a decision is rejected by the TSC and remanded to the board, "the Board must vote again on the matter." Does this mean that the board is obligated to schedule the rejected decision for a second board vote even if the board prefers to accept the rejection and not bring the rejected decision up again for a vote?
23. We would suggest adding explicit reference to the importance of non-wires alternatives in the IE planning process since this is so important to many of the regional interests.